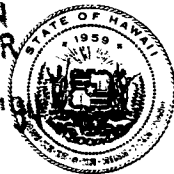


JOHN WAIHEE
GOVERNOR

DEPARTMENT OF
TRANSPORTATION
DEPUTY DIRECTOR

JUN 23 1 29 PM '94



DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION

JUN 22 2 05 PM '94

ROBERT P. TAKUSHI
COMPTROLLER

LLOYD I. UNEBASAMI
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

P.O. BOX 119
HONOLULU, HAWAII 96810-0119

JUN 22 1994

COMPTROLLER'S MEMORANDUM NO. 1994 -17

TO: Heads of Departments

ATTN: Administrative and Fiscal Officers

FROM: Robert P. Takushi, Comptroller

SUBJECT: Checks in Lieu of Warrants Pursuant to Section 40-51.5, Hawaii Revised Statutes

This memorandum follows our earlier memorandums (NO. 1994-14 and 1994-15) on the above subject, and conveys pertinent Statewide policies and procedures relating to the issuance of checks in lieu of warrants, effective July 1, 1994.

Significant procedural changes will be required of all departments to accommodate the issuance of checks in lieu of warrants. These procedural changes are presented below as they apply to warrants already issued and still outstanding as of June 30, 1994 and checks issued effective July 1, 1994.

Warrants - Issued and Outstanding as of June 30, 1994

Effective July 1, 1994, the following general policies and procedures will be implemented for processing warrant claims:

- Checks will be issued, in lieu of warrants, to replace lost, stolen or non-received warrants.
- A bond for lost warrant will not be a part of the procedure to replace a lost, stolen or non-received warrant.

The policies and procedures to be implemented July 1, 1994, in processing warrant claims, will continue to depend on the circumstances surrounding the claim. These policies and procedures are summarized below according to the type of situation involving the claim:

- A duplicate payment will be issued to replace a non-received warrant in all situations, regardless of the warrant amount.
- A duplicate payment will be issued to replace a lost or stolen warrant in all situations, regardless of the warrant amount, except when endorsed with a "blank endorsement" (i.e., signature of the payee only without any restrictions, such as "for deposit only").
- A duplicate payment will not be issued to replace a lost or stolen warrant when endorsed with a "blank endorsement", regardless of the warrant amount. As in current practice, the department will be required to wait until the warrant escheats before filing a claim (claim for an escheated warrant) to replace the lost or stolen warrant.

Checks - Effective July 1, 1994

The processing procedures for checks, like warrants, will depend on the circumstances surrounding the claim and will be similar to those discussed above for warrants, except in situations where the claim involves a voided check (checks will become void six (6) months from the check (issuance) date and escheat on June 30 of the fiscal year following the fiscal year in which the check was issued).

The policies and procedures for processing check claims are summarized below according to the type of situation involving the claim:

- A duplicate payment will be issued to replace a non-received check in all situations, regardless of the check amount.
- A duplicate payment will be issued to replace a lost or stolen check in all situations, regardless of the check amount, except when endorsed with a "blank endorsement."
- A duplicate payment will not be issued to replace a lost or stolen check when endorsed with a "blank endorsement", regardless of the check amount. The department will be required to wait until the check becomes void before filing a claim to replace the lost or stolen check.

Hds. of Depts.
Memo No. 1994-17
Page 3

- A duplicate payment will be issued to replace a voided check.

Should you or your staff have any questions or require additional information, please call Mr. Wilbert Sakamoto of our Accounting Division at extension 6-600.



ROBERT P. TAKUSHI
Comptroller